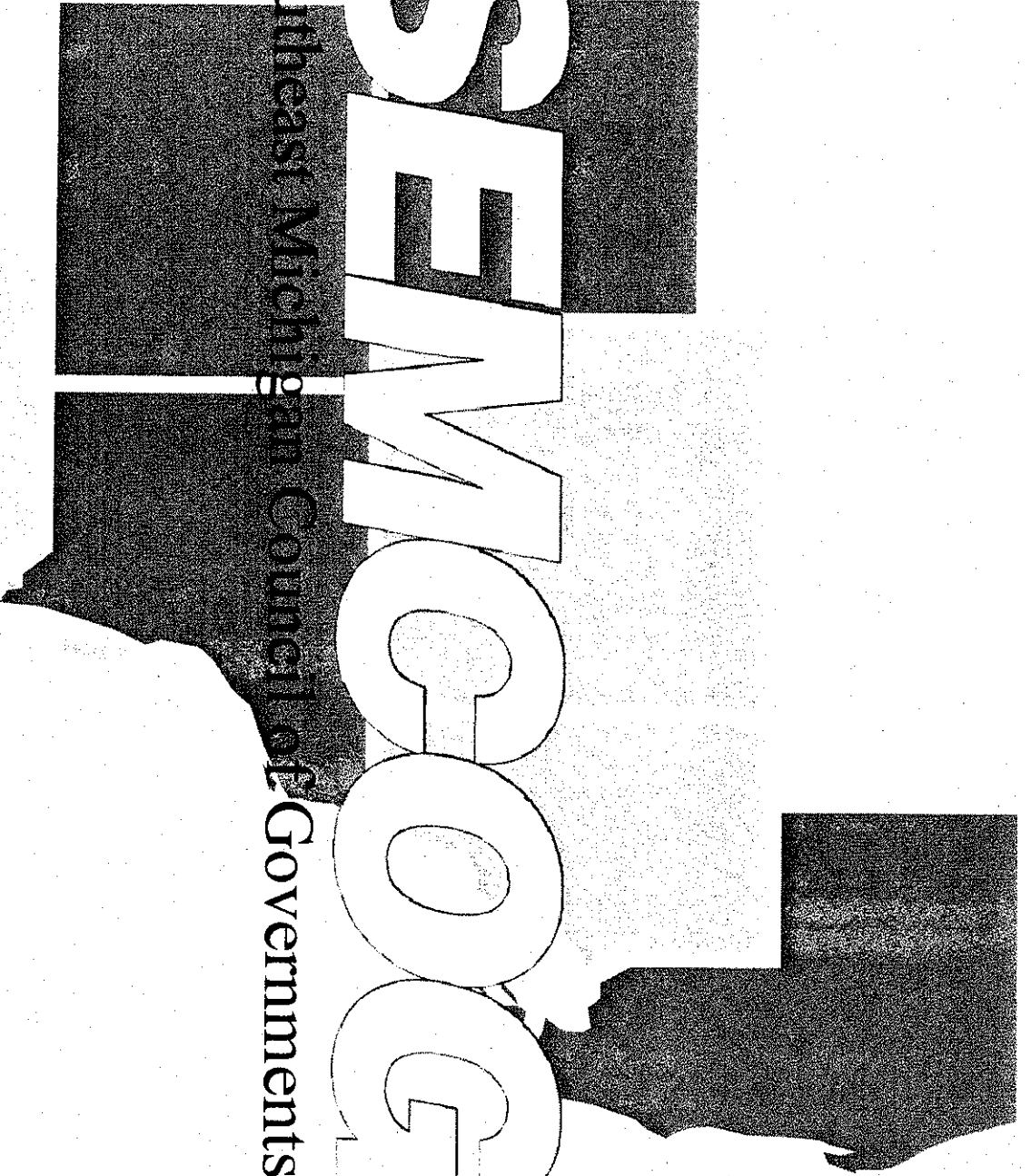


# SEMICOG

Southeast Michigan Council of Governments



# **Michigan's Highway Trust Fund Rate of Return & Other Transportation Funding Issues:**

**Comparisons with Other States**

# Comparison of Funding Mechanisms with Nearby States

	Michigan	Minnesota	Wisconsin	Illinois	Indiana	Ohio
FUEL TAXES (dollars/gallon)						
Gasoline Tax	0.19	0.275	0.329	0.190	0.180	0.280
Diesel-fuel Tax	0.15	0.275	0.329	0.215	0.160	0.280
REGISTRATION TAXES (dollars)						
5-year-old Ford Taurus	73.00	99.00	75.00	78.00	114.25	54.50
new Cadillac SRX	212.00	189.00	75.00	78.00	509.15	54.50
Semi tractor, 80,000 lbs.	1,660.00	1,760.00	2,560.00	3,191.00	2,604.00	1,340.00
TOLLS (dollars)						
Tolled highways	None.	None.	None.	Tollway	Turnpike	Turnpike
Auto per average mile:						
cash				0.052	0.051	0.062
transponder account				0.026	0.027	0.043
5-axle semi per mile (approximate):						
cash				0.359	0.204	0.145
transponder account				0.359	0.204	0.112

# State Revenue Mechanisms

- Motor fuel excise tax: All states.
- Vehicle Registration & Licensing Fees:  
All states.
- Motor fuel tax indexing: FL, IA, KY, ME, NE, NC, PA, WV.
- Motor fuel sales tax: CA, GA, HI, IL, IN, NY.

# Beneficiary or Donor- Neutral States (29, incl. D.C.)

State	Rate of Return (Pct. Out Of to Pct. Into the HTF, FY 1957-FY 2009)	Gasoline Tax (cents/gal)	State	Rate of Return (Pct. Out Of to Pct. Into the HTF, FY 1957-FY 2009)	Gasoline Tax (cents/gal)
Alaska	5.36	8.00	Utah	1.15	24.50
Dist. of Columbia	3.79	23.50	New Hampshire	1.14	19.63
Hawaii	2.62	17.00	New Mexico	1.13	18.90
Montana	2.14	27.00	New York	1.12	24.35
Rhode Island	2.11	32.00	Nevada	1.12	23.00
Vermont	1.98	24.90	Louisiana	1.10	20.00
North Dakota	1.92	23.00	Maryland	1.10	23.50
South Dakota	1.91	24.00	Pennsylvania	1.08	31.20
West Virginia	1.74	32.20	Minnesota	1.06	27.50
Wyoming	1.52	14.00	Oregon	1.05	24.00
Connecticut	1.47	25.00	Colorado	1.02	22.00
Delaware	1.47	23.00	Mississippi	1.02	18.00
Idaho	1.45	25.00	Maine	1.00	29.50
Massachusetts	1.24	21.00	Alabama	1.00	18.00
Washington	1.17	37.50			

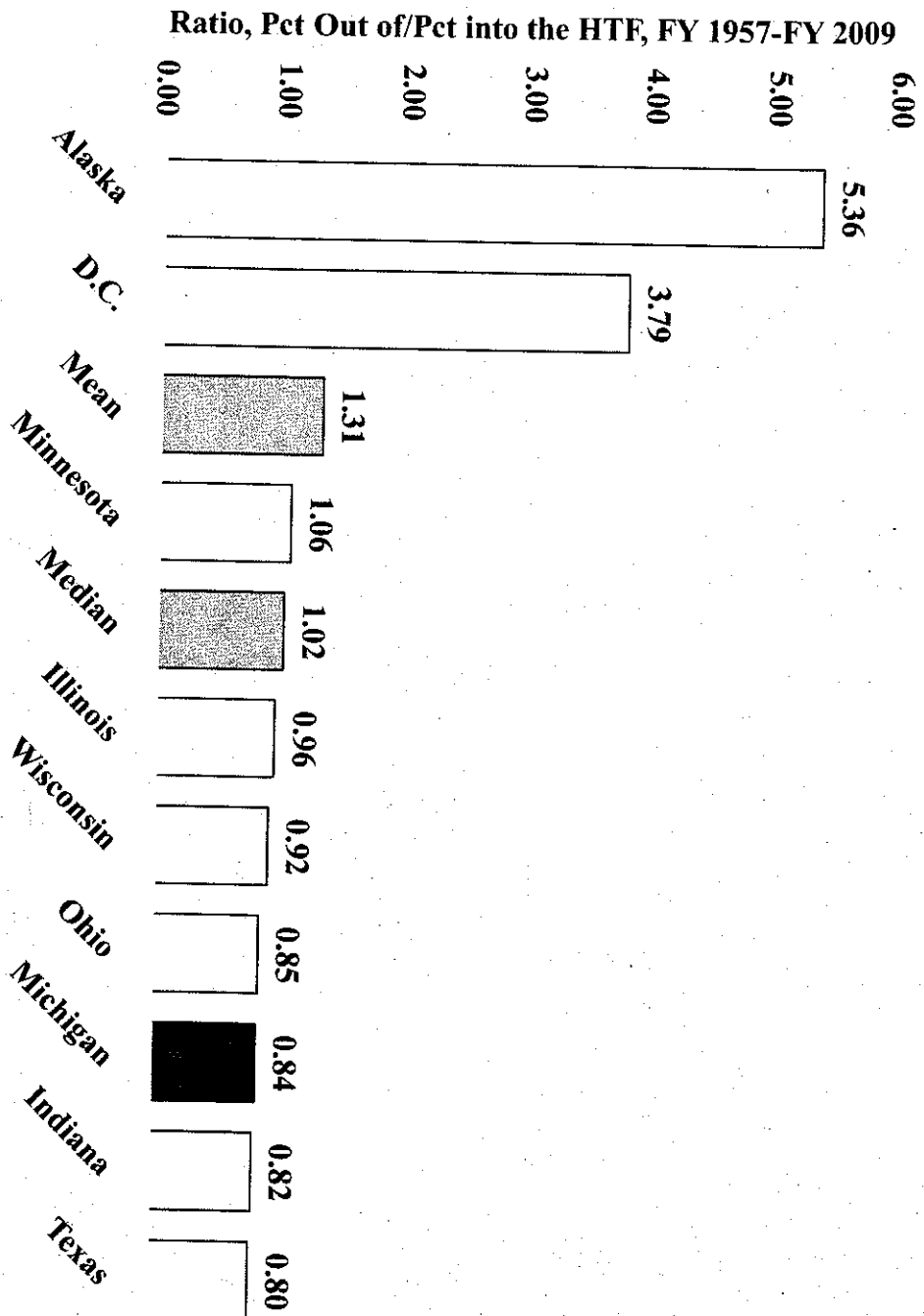
Source: FHWA

# Donor States (22)

State	Rate of Return (Pct. Out Of to Pct. Into the HTF, FY 1957-FY 2009)	Gasoline Tax (cents/gal)	State	Rate of Return (Pct. Out Of to Pct. Into the HTF, FY 1957-FY 2009)	Gasoline Tax (cents/gal)
Nebraska	0.99	27.10	New Jersey	0.89	10.50
Kansas	0.99	24.00	Tennessee	0.88	21.40
Iowa	0.99	21.00	Florida	0.87	16.00
Virginia	0.96	17.50	Oklahoma	0.86	17.00
Arkansas	0.96	21.50	Ohio	0.85	28.00
Illinois	0.96	19.00	Georgia	0.85	7.50
Arizona	0.94	18.00	Michigan	0.84	19.00
Kentucky	0.93	24.50	South Carolina	0.83	16.00
Wisconsin	0.92	32.90	North Carolina	0.83	31.90
California	0.89	35.30	Indiana	0.82	18.00
Missouri	0.89	17.00	Texas	0.80	20.00

Source: FHWA

# Rate of Return Ratio, Selected States (FY 1957-FY 2009)



Source: FHWA

# **SAFETEA-LU Rate of Return**

**SAFETEA-LU guaranteed all states a  
rate of return (ROR) of 92%.**

*Source: FHWA*



# 2009 Enacted State Revenue Actions

- California: Temporarily increased state Sales and Use Tax by 1% and increased vehicle license fee.
- Colorado: Increased registration fees and fees on overweight and oversize vehicles, along with a \$2 a day fee on rental cars.
- District of Columbia: Increased gasoline tax from \$0.20/gallon to \$0.235/gallon.
- Florida: Allowed toll rates to be indexed to the Consumer Price Index.

# 2009 Enacted State Revenue Actions

- Idaho: Raised fees for Division of Motor Vehicles (DMV) services. Funds from these fees are deposited into the State Highway Account. Eliminated current 10% tax exemption for biodiesel and gasohol.
- Missouri: Created Multi-Modal Transportation Improvement Fund which authorizes up to \$16 million in state general obligation bonds to fund state's passenger rail infrastructure.
- North Carolina: Allowed Triangle counties (Raleigh, Durham, and Chapel Hill) pay for transit improvements with a half-cent sales tax increase, if approved by voters.

# 2009 Enacted State Revenue Actions

- Nebraska: Increased license plate fee.
- Oregon: Raised gasoline tax from \$0.24/gallon to \$0.30/gallon and other transportation fees.
- Rhode Island: Raised the gasoline tax from \$0.30/gallon to \$0.32/gallon.
- Vermont: Raised the gasoline tax by \$0.05, along with special request license plate fees.
- Washington: Allowed SR-520 tolling authority to increase toll rates as necessary to reflect inflation and meet payments on bonds.

# 2010 Enacted State Revenue Actions

- Alabama: Constitutional amendment to transfer \$100 million per year for 10 years for a road and bridge construction program to be funded with appropriations from the Alabama Trust Fund.
- Georgia: Provide for a 1 percent regional transportation sales and use tax to be imposed for a period of ten years in 12 newly created special districts.
- Kansas: As part of T-Works Program, increases registration fees, state sales tax deposit, and bonding.

# 2010 Enacted State Revenue Actions

- Missouri: Allow port authority boards to establish port improvement districts to fund projects with voter-approved sales taxes or property taxes.
- West Virginia: West Virginia Community Empowerment Transportation Act gives counties authority to impose, administer, collect, and enforce payment of voter-approved user fees to pay for or finance cost of transportation projects within their counties.

# Summary

- Michigan is a donor state
- Compared to neighboring states, Michigan
  - Has lower gas tax than most
  - Has fewer innovative funding options

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